

Unit 2 Test: Accounting for a Merchandising Business

Chapter 10

Test Date: Thursday May 26, 2015

Terms To Know

Periodic Inventory System	Wholesalers	Physical Inventory
Merchandise Inventory	Retailer	Cost of Goods Sold
Terms of Sale		

Concepts To Know

Section 10.1 – The Merchandising Business

1. Periodic vs. Perpetual Inventory Systems
2. Basic Cost of Good Sold Calculation & the Income Statement
3. Limitations of the Periodic Inventory System

Section 10.2 – Accounting Procedures for a Merchandising Business

1. The Merchandise Inventory Account
2. The Purchases Account
3. The Sales Account
4. The Freight In Account

Section 10.3 – Worksheet for a Merchandising Business

1. Completing an accurate Worksheet for a Merchandising Business
2. Income Statement for a Merchandising Business
3. Closing Entries for a Merchandising Business

Section 10.4 – Merchandise Returns & Allowances

1. Credit Invoices – Procedures for Issuing
2. Cash Refunds
3. Sales Returns & Allowances Account
4. Purchases Returns & Allowances Account

Section 10.5 – Sales Discounts

1. Terms of Sale – Know What The Different Types Mean
2. Accounting for Cash Discounts
3. Additional Cash Discount Facts

Questions to Answer (We have done some of these already!)

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10.2	406 - 408	Review Questions 1-11 & Exercises 1-3
10.3	413 - 416	Review Questions 1-14 & Exercises 1-3
10.4	424 - 427	Review Questions 1-15 & Exercises 1-5
10.5	432 - 434	Review Questions 1-16 & Exercises 1-4
Chapter Review	455 – 486	Review Exercises 1 – 5, 9 - 11